

**UNION COMMITMENT: A CASE OF TWO MALAYSIAN UNIONS
(THE AMALGAMATED UNION OF EMPLOYEES IN GOVERNMENT
CLERICAL AND ALLIED SERVICES AND THE NATIONAL UNION OF
BANKING EMPLOYEES)**

by

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**KOMITMEN TERHADAP KESATUAN SEKERJA: KES MENGENAI
DUA KESATUAN SEKERJA MALAYSIA (GABUNGAN KESATUAN
PEKERJA DALAM PERKHIDMATAN KERANI DAN BERSEKUTU
KERAJAAN DAN KESATUAN KEBANGSAAN
PEKERJA-PEKERJA BANK)**

ABSTRAK

Kesatuan sekerja secara tradisional berbeza dengan organisasi perdagangan dalam pelbagai aspek seperti perkembangan sejarah, ciri sukarela dalam keahlian dan sumber kuasa. Oleh yang demikian, ianya memerlukan satu penelitian yang berasingan daripada organisasi perdagangan. Kajian ini menyelidik faktor yang mungkin dapat meramalkan komitmen ahli terhadap kesatuan sekerja mereka. Dalam hal ini, kajian memberi fokus ke atas hubungan antara faktor peribadi, faktor kesatuan sekerja dan faktor organisasi dengan dua dimensi komitmen terhadap kesatuan sekerja (pertalian berasaskan afektif dan pertalian berasaskan instrumental) di kalangan ahli kesatuan di Malaysia. Kajian ini juga mengkaji pengaruh sektor kesatuan sekerja sebagai penyederhana ke atas hubungan antara faktor peribadi, faktor kesatuan sekerja dan faktor organisasi dengan komitmen terhadap kesatuan sekerja. Ahli yang terpilih adalah daripada AUEGCAS (kesatuan sekerja sektor awam) dan NUBE (kesatuan sekerja sektor swasta). Data dikutip daripada sampel rawak iaitu seramai 402 ahli dan tinjauan kajian adalah melalui kaedah soalselidik. Hasil kajian telah membawa kepada penerimaan hipotesis secara sebahagian sahaja. Kajian ini mendapati faktor seperti kepercayaan yang positif dan negatif mengenai kesatuan sekerja, kepuasan terhadap kesatuan sekerja dan kepimpinan dalam kesatuan sekerja secara jelasnya mempengaruhi dimensi komitmen afektif. Manakala faktor seperti kepuasan terhadap kesatuan sekerja, kepercayaan mengenai kerja, aktiviti sosialisasi, perkembangan

peribadi dan otonomi tugas secara signifikan menerangkan varians bagi dimensi komitmen instrumental. Hasil kajian juga menunjukkan bahawa sektor dapat menyederhanakan hubungan antara i) kepimpinan dalam kesatuan sekerja, faedah kewangan dan kepercayaan yang positif mengenai kesatuan sekerja dengan dimensi komitmen afektif di kalangan ahli kesatuan sekerja awam, dan ii) faedah kewangan dengan dimensi komitmen instrumental di kalangan ahli kesatuan sekerja swasta. Berdasarkan hasil kajian yang diperolehi, implikasi teori dan praktikal dibincangkan. Limitasi dan cadangan untuk penyelidikan akan datang juga dikemukakan.

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ABSTRACT

Unions are traditionally different from commercial organizations in various aspects such as historical development, the voluntary of their membership and the sources of power. Consequently, this demands separate scrutiny from that of commercial organization. This study investigated factors that may predict members' commitment towards their unions. In this respect, this study focused on the relationship between personal factors, union factors, organizational factors and union commitment dimensions (affective attachment and instrumental attachment) among union members in Malaysia. This study also examined the influence of the union sector as a moderator on the relationship between the factors and union commitment. The members were chosen from AUEGCAS (public dissector union) ad NUBE(private sector union). Data was collected from a random sample of 402 members and a survey questionnaire was employed. The findings resulted in partial acceptance of the hypotheses formulated. Factors like positive and negative union beliefs, union satisfaction, and union leadership significantly influenced the union commitment dimension, e.g. affective attachment. While union satisfaction, work beliefs, socialization activities, personal growth, and job autonomy were significant in explaining the variance in instrumental attachment. The findings also showed that sector had significantly moderated the relationships between i) union leadership, monetary benefits, and positive union beliefs with affective attachment among the public union members, and ii) monetary benefits and instrumental attachment among private union members. Based on the research

findings, theoretical and practical implications are discussed. Limitations and suggestions for future research are also highlighted.

CHAPTER 1

INTRODUCTION

1.1 Introduction

Organizations today are facing an increasingly competitive and rapidly changing environment. A voluntary organization like the union is of no exception. The challenging scenario could not only erase the commitment of its members, but also endanger its very survival. Hence, in order to gain and sustain support and loyalty for unions, it is critical to understand the very fabric of unionism, which is union commitment. This chapter highlights the concept of union commitment, leading to the issues of problem statement, research objectives, and significance of study, and concludes with a roadmap to the organization of the remaining chapters.

1.2 Overview of Present Situation

Trade unions are going through a difficult phase worldwide. The general consensus is that unions are in a crisis situation, with declining membership and loss of power. Union opposition is growing and more and more organizing efforts are falling short. The loss of political clout and a weakened economic position have unions on the defensive in many countries and this decline has occurred more rapidly in the United States than in other countries (Misser, 2000). According to Eisenhauer (1998), Rubeinstein (2001), and Budd (2005), a general explanation for the fall of union membership are influenced by the economic, social, institutional, and political factors specific to each country.

The 1980s onwards were generally viewed as an important period in the evolution of trade unionism across most countries. Changing conditions in world

markets began to transform the organization of work. New technology, recession, and a much greater level of uncertainty in the global market had an impact upon the behavior of employees and industrial relations systems. The compositional shift in the labor market relationships, which has seen sharp falls among the traditional sectors of highly unionized manual labor, has been a common feature in most countries. Besides these factors, the greater employment for non-manual workforce, the reduction of personnel in large workplaces, the growth of small firms, the increased participation of female workers, new attitudes towards solidarity and individualism on the part of workers, and the influence of privatization have had general implications on the aggregate pattern of unionization across countries. These environmental changes have caused firms to reshape management strategies that emphasize on core competences and knowledge work and to expand by contracting out parts of their businesses through a wide network of corporate alliances (Heckscher, 2001). Besides these strategies, management has closed unproductive capacity, de-layered rigid and unresponsive hierarchies, and has sought to adopt decentralized decision making within the firm. A critical component of management strategy has been to forge new relations with employees and their unions. By creating a new and more cooperative management, it was able to generate and influence worker and union commitment towards its goal of achieving lower cost, increased productivity, and higher quality. In this respect, unions fear that worker and union involvement in workplace decision making will erode the members' commitment to and satisfaction with the union (Rubinstein, 2001). The advent of employee involvement may cause workers to identify more closely with the management,

to see the unions as increasingly irrelevant in the workplace, and to become less involved in supporting it. The end result may be the weakening of union bargaining power and ultimately the undermining of the union's very survival and growth as an institution of worker representation (Lipset & Katchanovsk, 2001).

Unions are inherently different from commercial organizations in terms of their historic development, the voluntary nature of their membership, their sources of power, their objectives, and overall social and political position (Warner, 1975). Consequently, this demands separate scrutiny from that of commercial organizations. The study of unions as organizations requires an awareness of the unique functions of these organizations and the nature of member attachment to their union. There has been much discussion as to the nature of union problems and how they can be solved. With this regard, this study will take into account the attitudes and opinions of union members regarding their unions. Specifically, this study will focus on union commitment. Some considerations for selecting union commitment in this research are the differences in industrial relations practices experienced by unions in different sectors and the nature of member attachment to their unions. The central elements of this focus will be the analysis of two unions of the same occupational status, but stemming from different sectors: clerical union members from the public and private sectors. This research will involve identifying variables that may predict the members' commitment toward their unions. Any differences and similarities that may exist in terms of the commitment between union members may provide valuable information pertaining to the complexity of union commitment in greater depth. This effort

could perhaps help in understanding critical union problems and securing members' commitment for union strength and survival in the near future.

1.3 Problem Identification

Basically, the union offers the promise of a number of benefits in order to solicit the members' commitment. Some of the benefits include maximizing wages and employment of their members within the frame of the wage or work contract of employment; establishing a joint rule-making system which both protects their members from arbitrary management actions and allows them to participate in decision making within the organization for which they work; allowing them to express the social cohesion, aspirations or political ideology of their membership, and etc. Trade unions have long served an important and vital role in the industry, acting as the vanguard to protect the worker's rights and financial livelihood, along with their health and safety (Waddington & Whitston, 1997; Salamon, 2000). However, due to the changing environmental factors surrounding unions, these roles are changing to a broader spectrum from time to time. For example, for the trade unions in the U.K., they make an important qualitative and quantitative contribution to health and safety training by the organization and the delivery of courses by health and safety representatives, particularly through the Trades Union Congress (TUC) Regional Education Programs (David, 1997; Rose, 2002). In a world dominated by globalization, trade unions have rethought their role in regional development through issues of finance and investment. While the labor movement has traditionally avoided dealing with the politics of finance and capital, activists have increasingly recognized that tackling investment issues could offer another

strategy to benefit members and resist globalization. For instance, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) has been active in putting its members' pension money to productive use through investing in various union built housing, commercial, and industrial developments (Lincoln, 2000).

Through these efforts, unions have been able to encourage new participative corporate cultures with employees involved in business decisions. This gives unions a proactive role in local economic development. Some unions have also established savings banks, offered credit facilities, and even attempted to set up social insurance and pension schemes. Meanwhile in Malaysia, The Malaysian Trade Union Congress (MTUC) has taken the role to look into the matter of sexual harassment where the majority of factory workers are women and supervisors, managers, and employers are usually male. Usually unqualified and unskilled, the women are easily intimidated. Furthermore, they are also not unionized and without legislation to protect them, they are the most vulnerable to such abuses. The MTUC published a guidebook on sexual harassment at the workplace which defines among other things, what sexual harassment is. The guidebook which provides guidelines for both the employer and employee was produced in 1988 as part of the MTUC Women's Section campaign for legislation on sexual harassment. They have stepped up their activities in creating awareness and campaigning for legislation on sexual harassment at the workplace (Women's International Network News, 1991). Besides this, the MTUC made a lot of effort to draw international attention to the many restrictions on Malaysian workers' rights, for example, the MTUC was able to highlight the lack of freedom to organize in Malaysia's electronics sector.

Generally, the discussions above have clearly shown the significant roles of unions not only in Malaysia, but in countries all over the world. Although unions have extended their roles, the dramatic changes in environmental factors have contributed a serious impact on the performance and effectiveness of unions. Presently, despite the significant roles as “worker representatives”, unions are facing serious problems such as:

- i) flagging union membership;
- ii) the loss of confidence, support and commitment by members; and
- iii) usurping of the role of unions by other organizations (employers, government, management, NGO, etc).

These occurrences are of deep concern for trade unions and their leadership, as membership forms the constituency of a trade union and membership involvement is the test of a union’s strength and its capacity to bargain with the management. Since the mid-1970s, the entire industrialized world has recorded an unprecedented downward trend in union density rates. It has been a common feature across most industrialized countries (Salamon, 2000). For example in 1995, there has been a decline in union density in countries like Sweden, Australia, Canada, United Kingdom, Italy, Japan, Germany, South Korea, USA, France, and Singapore.

This scenario is attributed to the increasing worldwide unpopularity of unions; the unfavorable socio-economic, political, and legal climate facing union organizers; flexibility of the workforce; emerging managerial unionism; and faster technological advances. While some companies are increasingly adopting a variety of softer HRM strategies to neutralize or reduce the influence of unions, others are pursuing aggressive union exclusion policies (Salamon,

2000). In many countries, a large influx of women can be found in the employment sector. In Finland and Sweden, there are more women than men in trade unions. The opposite situation prevails in France, where although there are many women in the labor market, their degree of unionization is unusually low. The American unions have also been experiencing a steady decline in membership and this process has continued for nearly two decades (Rubinstein, 2001).

A large number of reasons have been put forward, including rising management hostility towards unions, changing nature of the employment mix from predominantly manufacturing to primarily service, greater economic prosperity, better educated workers, and a hostile political climate. While other countries are experiencing many problems as mentioned above, Malaysia may also come to experience the same phenomena. With respect to women's commitment and participation in the trade union movement, the increase of women in the workplace does not find its parallel increased in membership (Ariffin, 1989). From a survey conducted by Ariffin (1997) on women union members from either the Women's section of MTUC or CUEPACS, it had indicated some negative responses regarding unions. Among the criticisms made by the women respondents were related to the ineffectiveness of unions in delivering accurate information pertaining to union activities and programs. This lack of communication between the unions and their members had to some extent discouraged members and led them to be disinterested about unions. In addition to this, lack of facilities such as childcare centers also hinders women to attend such courses and seminars for increasing skills in trade union matters and enhance knowledge regarding unions. Failure to provide these training

mechanisms, the motivation of women members could not be given further impetus. The findings also found that male dominance was one of the most common complaints made by women members. According to Ariffin (1997), the institution of trade unions had evolved from its inception as a male domain. Men who are wage earners like women are exposed to unions earlier in history and in working life, gain greater experience and knowledge of unionism, develop skills as union members and leaders, and contribute to provide the leadership and direction for the trade unions. This initial advantage, coupled with the conservative interpretation of the socially defined role of women as mainly responsible for the home and less toward outside commitments (the dual burden that follows such expectations), have prevented women from being actively committed in union activities and promoted their inability to influence any of the policies. Men who are more familiar with the mechanism of unionism and industrial relations with employers are thus most likely to continue in their positions. The responses given were not centered on the employment characteristics but focused instead on the unions, both in terms of the unions' structure and activities. In addition, factors like restrictive labor legislations on the trade union practices and movement, the influence of globalization, economic recession, and other factors may also create a serious impact on the effectiveness of unions as workers' representatives.

1.4 Problem Statement

"Why would individuals choose to be loyal to a labor union?" is a question that has often captured the attention of unionists, management, social theorists, and academics for very different reasons. Union leaders express an

interest in the members' commitment to the union because their ability to bargain collectively with the management from a position of strength depends heavily on the loyalty of their membership (Gordon, Beauvais, & Ladd, 1984). Management is intrigued by and frequently wary of employees' loyalty to unions, partly because they see this loyalty as a possible diminution of their power to direct the organization in a way they think is most appropriate. Social theorists view union commitment as the mechanism for achieving democracy in the workplace (Barling, 1992) while Gordon and Nurick (1981) went as far as to suggest that union commitment is the major variable in any applied psychological approach aimed at understanding unions. A focus on union commitment is, therefore, crucial.

Labor unions or trade unions have been described as utilitarian and normative organizations (Shein, 1980). As utilitarian organizations, unions provide members with the benefits of collective bargaining (e.g. job security, wages, fringe benefits, and access to grievance procedures). As normative organizations, the existence of labor unions is predicated on members wanting to belong to a union and wanting to fulfill their roles in the organizations, that is, in the moral involvement in the union (Shein, 1980). According to Cohen (2003), union commitment is basically regarded as a form of "work commitment" or commitment in the workplace. Initially, it was considered to be a special case of organizational commitment. Organizational commitment refers to the workers' attachment to organizations (Sverke & Sjoberg, 1994). The definition of union commitment has largely been based on definitions of organizational commitment. Porter and Smith (1970), and Mowday, Lyman, Porter, and Steers (1982) noted that commitment can be characterized by three factors, (a) a

strong belief in and acceptance of the organizations' goals and values, (b) a willingness to exert considerable effort on behalf of the organization, and (c) a strong desire to maintain membership in the organization. Gordon, Philpot, Burt, Thompson, and Spiller (1980) adopted these definitions, but further suggested that union commitment is characterized by loyalty to the union, responsibility to the union, willingness to work on behalf of the union, and a belief in unionism.

There are several differences between unions and the workplace, specifically the lack of formal authority over members and the need for members' voluntary participation. The union's lack of formal authority over its members stems from the differences in the nature of the exchange between the workers, the union, and the working organization. For instance, the worker is paid by and works for the organization. In contrast, union members pay and expect the union to work for them. This difference in dynamics means that the union must convince union members of its usefulness and also emphasize the importance of member commitment to increase the union's effectiveness. Convincing members of the usefulness of the union and of the importance of its role to members is a formidable task. It implies changing attitudes and understanding the various variables that may affect union commitment and participation.

Being a representative organization of the workers, unions are basically interested in their fulfilling members' expectations. However, environmental changes and factors that have been described earlier could not only gradually erase the confidence and commitment of its members, but also endanger the survival of unions now and in the near future. Hence, in order to revive member support and loyalty for unions, there is a need to understand the very fabric of

unionism, that is, union commitment. Without the members' commitment, unions may not be able to achieve their goals. As Gordon, Philpot, Burt, Thompson, and Spiller (1980: p.480) noted: "Since the ability of union locals to attain their goals is generally based on the members' loyalty, belief in the objective of organized labor, and willingness to perform service, commitment is part of the very fabric of unions".

In trying to understand union commitment as a dependent variable, one may need to stress on two dimensions of the concept: the instrumental dimension and value or ideology dimension. The former concentrates on the traditional roles of unions for better tangible benefits and the latter focuses on enhancing involvement in decision making, social interactions between the union members, and value congruence between the union's ideology and the members' ideology. These dimensions are basically based on the theory of union commitment by Sverke and Kuruvilla (1995), which stressed that both of the dimensions are important since union commitment is not always based on expectations of individual gains but could also be due to ideological cause. The significant advantage of conceptualizing commitment as being composed of these two dimensions is the recognition that individuals may be bound to organizations for different reasons and their behavior may vary as a result (Sverke & Kuruvilla, 1995). This is consistent with the statement given by Newton and Shore (1992) that unions "need to emphasize both ideological and instrumental issues to promote the kind of active support needed to maintain them" (p.285). This statement was supported further by Tetrick and Barling (1995) in which they argued that "maintaining a relationship based on economic exchange is not sufficient to foster commitment" (p.583).

Hence, in order to regain support for the union, it is necessary and important to understand what determines union commitment. According to Iverson and Buttgieg (1997), the question of what determines union commitment is a large and important area of research for industrial psychologists. Its relevance rests with the impact that commitment has on participation, which is deemed necessary for internal democracy and public manifestations of strength and solidarity (Kelloway & Barling, 1993). These issues are pertinent especially in the context of problems and challenges facing unions around the world. This exploratory study draws upon research on trade unions to identify some of the salient variables (personal factors, union factors, and organization factors) which may influence the commitment of present union members. Since sector is regarded as one of the contextual variables that may act as a moderator (Salancik & Preiffer, 1997), this study also intends to explore the influence of union sector as a potential moderator.

1.5 Research Objectives

There are several research objectives that this study attempts to achieve, which are:

- i) to examine the level of commitment in private and public sector unions;
- ii) to determine the factors influencing union commitment; and
- iii) to examine the moderating effect of union sector on the relationship between the factors and union commitment.

1.6 Research Questions

Some of the research questions this study attempts to answer or at least shed some light on include the following:

- i) What is the level of commitment among union members towards their unions?
- ii) Is there a difference in the commitment level between private and public sector unions?
- iii) What factors contribute to this commitment?
- iv) Does union sector moderate the relationship between the factors and union commitment?

1.7 Significance of the Study

Union commitment represents a member's positive feeling towards the union (Newton & Shore, 1992) and this is the foundation on which the labor movement is based upon (Viswervaran & Deshpande, 1993). Researchers investigate an employee's psychological attachment to the union because it is considered to be an important indicator of trade union strength (Barling et al., 1992). Practically, understanding union commitment is crucial to organized labor because its strength will determine the eventual success of the union in the achievement of its overall goals (Fullagar & Barling, 1989). For this reason, union officials and leaders are known to be interested in union commitment since their ability to collectively bargain with employers from a strong negotiating position depends heavily on the loyalty of the constituency. The importance of union in the labor unionization process is reflected in a Gallagher and Clark (1989) statement: "ultimately, all union services are designed to

generate commitment to the present union and the potential members” (p.52). A lack of understanding of worker attitudes such as union commitment is a serious and potentially fatal omission for unions (Kuruville et al., 1993).

Theoretically, in spite of the perennial interest in member participation and commitment to unions, many of the existing research and models on these subjects have been based on western samples (Bamburgh et al., 1999; Chacko, 1985; Gordon et al., 1980; Heshizer & Lund, 1997; Hester et al., 2001; Magenau et al., 1988; Newton & Shore, 1992; Rose, 2002; Sjoberg & Sverke, 2001; Sinclair & Tetrick, 1995; Waddington & Whitson, 1997). From these studies, an examination of member commitment in unions in non-western countries may have the opportunity to examine the applicability and generality of these western theories. Previously, some of the theories have been used in limited studies on union commitment and union participation. For example, previous studies which tested the applicability of western inspired models of union commitment and union participation in Japan (Morishima, 1995) and in Hong Kong (Chan et al., 2004) had reported findings that were generally consistent with those in the literature. Although their findings may be taken to be indicative of the applicability of western inspired models, oriental countries in the region including Malaysia have different histories and are at different stages of industrialization. Furthermore, in the Malaysian context, there has not been much research done in terms of union commitment.

Generally, in terms of union research, the common information covers several aspects of union such as the union registration and recognition process, membership status, government regulations, and etc. In terms of the samples involved in the existing studies, only in the United States could the assertion be

made that the samples included a broad mix of industrial relation situations (Reed, Young, & McHugh, 1994). For example, some of these studies had represented manufacturing and non-manufacturing industries, white and blue collar labor, and work in the public and private sectors drawn from various localities from across the country. In Canada, too few samples were available to provide a representative mix. While in Japan, many of the samples were available and drawn from a variety of companies. However, all were located in a single geographic area. For Sweden, the results were based on a random sample of members of various occupations within a single professional union federation. According to Reed et al. (1994), although these studies represented all the currently available published and unpublished research, further efforts are needed to assure a comprehensive overview of industrial relations situations.

Hence, this research intends to contribute to the study of union commitment by selecting and adding variables that rarely have been tested as independent variables (e.g. collectivism, union leadership, work beliefs, and union satisfaction), besides testing the validity of variables such as general union beliefs, union socialization, and job satisfaction, with respect to their relationships with union commitment. The samples would comprise of union members from different employment sectors (public and private sectors). This research hopes to further explore and understand the nature of union member attachment and why workers feel bound to their unions. With regards to union commitment studies, previously, few variables such as gender, age, job seniority (Bamberger et al., 1999), white and blue collar employment in the same union (Johnson et al., 1999), and industrial relations climate (Fuller &

Hester, 1998) have been treated as moderators. However, in this research, union sector is chosen as the potential moderator. According to Reed et al. (1994), the macro-level variables that may moderate the company and union commitment relationship include industry (Sherer & Morishima, 1989) and sector. For sector, the public or private nature of the employer can create distinct labor relations environments (Coleman, 1990). Hence, by taking into consideration the independent variables and the moderator variable as mentioned above, this research hopes to contribute to a greater understanding of union commitment in greater depth, especially with regard to the Malaysian scenario and thus add to the existing literature.

1.8 Definitions of Key Terms

1.8.1 Organizational Commitment

- a) Porter and Smith (1970) defined organizational commitment as “the relative strength of an individual’s identification with the involvement in a particular organization”. This identification with the organization is characterized by a strong belief in and acceptance of the organization’s goals and values; a willingness to exert effort for the organization; and a desire to maintain membership in the organization.
- b) The identification approach to organizational commitment views commitment as a “partisan, affective attachment to the goals and values of an organization... and to the organization for its own sake, apart from its purely instrumental worth” (Buchanan, 1974: p.533).
- c) Meyer, Stanley, Herscovitch and Topolnytsky (2002) had conceptualized organizational commitment in terms of three components: affective

commitment (an emotional attachment to and involvement in the organization), continuance commitment (as a perceived cost associated with leaving the organization), and normative commitment (as a perceived obligation to remain in the organization).

In this present study, the identification approach to organizational commitment is used. It is distinguished from the instrumentality-based attachment to an organization and value-based commitment (Buchanan, 1974; Kidron, 1978).

1.8.2 Union Commitment

Union commitment is defined as a multidimensional construct which includes four dimensions (Gordon et al., 1980) and are as follows:

- b) Union loyalty: a sense of pride in the association with the union and its membership and a perceived instrumentality of the union for satisfying member needs.
- c) Responsibility to the union: the degree of willingness to fulfill the day-to-day obligations and duties of a member in order to protect the interests of the union.
- d) Willingness to work for the union: voluntary behaviors that go further than normal daily behaviors.
- e) Belief in unionism: a belief by the union member in the overall goals of unionism.

Union commitment could also be described in terms of two dimensions of value/ideological and instrumental (Sverke & Kuruvilla, 1995), which are described as follows:

- a) value/ideological union commitment: member support for the union is derived from the individual's identification with the ideology and values of the union.
- b) instrumental union commitment: a form of attachment based on the rewards and benefits that the union provide to members.

For this present study, the concept of union commitment is basically based on the dimensions described by Sverke and Kuruvilla (1995).

1.8.3 Trade Union

A trade union will refer to “any organization, whose membership consists of employees, which seeks to organize and represent their interests both in the workplace and society and, in particular, seeks to regulate the employment relationship through the direct process of collective bargaining with management” (Salamon, 2000; p. 93). In the Malaysian context, The Trade Unions Act 1959 (TUA) defined a trade union as any temporary or permanent association or combination of employers or of employees (being employers employing employees in Malaya or Sabah or Sarawak or employees whose place of work is in Malaya or Sabah or Sarawak) within a particular establishment or industry or trade or occupation or within similar industries or trades or occupations (similar in the opinion of the Director General of Trade Union) and having one or more of the following objects:

- a) the regulation of relations between employers and employees for the purpose of promoting good industrial relations between them, or of improving the working conditions of employees, or of enhancing their economic and social status or of increasing their productivity;

- b) the regulation of relations between employers and employees, or between employees and employees;
- c) the representation of either employers or employees in trade disputes;
- d) the conducting of or dealing with trade disputes and matters related thereto; or promoting, organizing or financing of strikes; or
- e) lockouts in any industry or trade, or the provision of pay or other benefits for its members during a strike or lockout.

In this present study, the researcher's definition of trade union refers to an organization that represents workers aspirations and hopes for future survival in any working environment.

1.9 Organization of the Thesis

This thesis comprises of six chapters, which in brief, are as follows 1) introduction; 2) unionism in Malaysia; 3) literature review; 4) methodology; 5) data analysis and results; and 6) discussion and conclusion.

The first chapter would serve as an introduction pertaining to the present situation of trade unionism in Malaysia while highlighting the concept of union commitment. This chapter has included the problem statement, research objectives, research questions, and significance of the study. The subsequent chapter would focus upon the issues surrounding the union movement in Malaysia, stressing on the feature of industrial relations of the public and the private sectors, while the third chapter has covered the literature review concerning the concept of union commitment, highlighting the theory, literature, theoretical framework, justification of research model, and hypotheses. This chapter is then followed by a whole chapter covering the methodology. In this

respect, elements like research design, sampling procedure, research instrument, data analysis techniques have been described. The results of this study are then discussed in the ensuing chapter five and the sixth chapter would summarize all the findings of this research. The theoretical and practical implications, research limitations, and suggestions are also discussed in this final chapter for the benefit of future research.

CHAPTER 2

UNIONISM IN MALAYSIA

2.1 Introduction

In Malaysia, employers, employees, and trade unions are integral to or an essential element in the industrial relations system of the country. Organized initially in their present form soon after the Industrial Revolution in England, trade unions' significance transcended the purely economic from the very beginning in order to safeguard the interests of the employees. Because of their social and political implications, they were once regarded as subversive organizations and have always been subjected to regulation by the state. This chapter will examine some important aspects of unionism in Malaysia including the features of trade unions, the current position of unions in both the private and public sectors, and the differences in industrial relations practices between the sectors.

2.2 Union Movement in Malaysia

Malaysia is one of the fastest growing developing countries in Asia. In 2003, the Malaysian labor force was 10.5 million (Malaysian Department of Statistics, 2004) with 60.5% between 16 and 34 years old. Whilst economic development in the advanced industrialized market economies since the 1970s is associated with manufacturing decline, in Malaysia, manufacturing has grown faster than before. Since the early 1970s, there has been an extensive structural conversion of the Malaysian economy as a result of the increasing importance of the manufacturing and service sectors, and the decline of

traditional sectors such as agriculture and mining (Bhopal & Todd, 2000). With respect to Malaysian industrial relations, the freedom of unions to organize and bargain was restricted. The industrial relations rules and regulations that had been established would reflect the state's effort to put down industrial conflict in the interest of economic development (Mamman, 2002). Despite these conditions, unions are growing in size in Malaysia (Maimunah, 2003). This increasing trend covers unions from the public and the private sectors. The growth of unions can be seen from the table below:

Table 2.1
Growth in Number of Unions (Public and Private Sector Unions)

| Year | No. of Unions |
|------|---------------|
| 1986 | 401 |
| 1988 | 414 |
| 1990 | 468 |
| 1992 | 479 |
| 1994 | 501 |
| 1996 | 516 |
| 1998 | 535 |
| 2000 | 563 |
| 2001 | 578 |
| 2002 | 581 |
| 2003 | 595 |

Source: The Department of Trade Union, (2004) Ministry of Human Resource, Malaysia.

From Table 2.2, it could be seen that there is some difference of the membership pattern between the private and public sectors. In this respect, the increase of members in the private sector is larger than in the public sector unions. For the statutory bodies and local authorities, the number of unions and memberships has also increased. Generally, it could be seen that the overall number of unions has increased from year to year.

Table 2.2
Number of Unions and Union Membership in Different Sectors in Malaysia

| | Number of Unions | | | | | | |
|---------------------------|------------------------|---------|---------|---------|---------|---------|---------|
| | 1992 | 1993 | 1999 | 2000 | 2001 | 2002 | 2003 |
| 1. Trade Unions | | | | | | | |
| a) Private | 258 | 276 | 328 | 351 | 364 | 373 | 380 |
| b) Public | | | | | | | |
| Civil service | 131 | 132 | 125 | 127 | 131 | 128 | 127 |
| Statutory | | | | | | | |
| Bodies/ Local Authorities | 90 | 88 | 84 | 85 | 83 | 80 | 88 |
| c) Employer | 12 | 13 | 14 | 14 | 14 | 14 | 14 |
| Total | 491 | 509 | 551 | 577 | 592 | 595 | 609 |
| | | | | | | | |
| | Trade Union Membership | | | | | | |
| | 1992 | 1993 | 1999 | 2000 | 2001 | 2002 | 2003 |
| 2. Trade Unions | | | | | | | |
| a) Private | 360,600 | 389,300 | 406,773 | 422,299 | 432,867 | 441,761 | 420,821 |
| b) Public | | | | | | | |
| Civil service | 214,256 | 241,200 | 244,388 | 236,524 | 284,008 | 297,188 | 298,001 |
| Statutory | | | | | | | |
| Bodies/ Local Authorities | 65,240 | 83,320 | 74,161 | 75,214 | 68,006 | 68,311 | 69,798 |
| c) Employer | 455 | 457 | 551 | 577 | 592 | 595 | 609 |
| Total | 667,551 | 714,277 | 725,844 | 734,525 | 785,431 | 807,802 | 789,163 |

Source: Department of Trade Unions, (2004). Ministry of Human Resource, Malaysia

From both of the tables above, although the unions are facing with tight and strict procedures such as stated in the labor legislations, surprisingly the unions are increasing in number. However, from the tables above, the number of membership in the private sector has declined slightly from the year 2000 to 2003. This picture is different in the public sector. The number of union membership has increased to a larger size. Basically, the strength and power of the trade union movement cannot be judged by the number of registered unions. In general, the size and density of membership, and the financial status of the unions are very significant factors (Salamon 2000; Aminuddin, 2003).

2.3 Special Features of Trade Unions in Malaysia

According to the Trade Unions Act 1959, these special features could be explained as:

- a) The law does not allow general trade unions whose membership is open to different occupation or industry, or similar trades, occupations or industries. Similarly, any Federation of trade unions whose members are from different trades, occupations or industries is not allowed.
- b) A trade union in Peninsular Malaysia cannot cater to membership in Sabah or Sarawak.
- c) The Registrar of Trade Unions has wide power in determining whether particular occupation or industry is “similar”. Section 2 (2) of the Trade Unions Act 1959 clearly states that “similar” means similar in the opinion of the Registrar. For example, the Electrical Industry Workers Union had been trying to organize workers in the Electronics Industry for more than 10 years, however, the Registrar of Trade Unions had ruled that Electronics is not classified under “Electrical”.
- d) Trade Unions Act 1959 regulates the right of employees to membership in a trade union. This regulation affects public sector employees more than it does private sector employees (Ayadurai, 2000). Under this act, the following groups of people are prohibited from joining or being accepted as members by a union (Trade Unions Act, Sec 26 or Sec 27A):
 - i) any non-citizen (excluding permanent residents) and any person below the age of 16 years;